

New Law to Benefit Non-Union Contractors

7/22/2011 [David C. C. Eberhard](#)

Governor Rick Snyder has signed into law The Fair and Open Competition in Governmental Construction Act ([Public Act 98](#), Senate Bill 165). This new act prohibits the use of government mandated project labor agreements (PLAs) on state and local governmental construction projects. Under PLAs, only firms and workers that agreed to abide by collective bargaining agreements with a union were allowed to perform work on public construction projects, effectively excluding many qualified contractors in Michigan.

After signing Senate Bill 165, Governor Snyder's office issued the following press release:

"This legislation is important because it gives everyone equal opportunity to compete for jobs," Snyder said. "Governments need to make decisions based on competitive bidding and value for taxpayer money. Union and non-union companies and their work forces are all valued and will continue to be able to partner on projects."

The intent of the new act is to level the playing field in the public contracting arena and to ensure that no qualified worker or contractor can be denied equal opportunity or the ability to work on public contracts based on their labor status. As a result, non-union contractors will have a much easier time bidding on public construction projects in Michigan due to no longer having to subject themselves and their employees to the terms of union collective bargaining agreements in order to work on government funded construction projects.

Michigan is the 7th state to ban government mandated PLAs this year and the 11th to do so overall.

Please contact Dave Eberhard, Co-chair of the Construction Practice Group, at deberhard@wnj.com or 248.784.5187, if you have questions about this new law.